

to require that the existence and extent of any material conflicts of interest between investment advisers and their clients be fully disclosed. Such rules shall take into account the rules applicable to registered brokers and dealers and their associated persons under the Federal securities laws (including the rules of self-regulatory organizations registered thereunder).

"(c) FACILITIES FOR FILING RECORDS AND REPORTS; ACCESS TO DISCIPLINARY AND OTHER INFORMATION.—

"(1) FILING DEPOSITORIES.—The Commission, by rule, may require any investment adviser—

"(A) to file with the Commission any fee, application, report, or notice required by this title or by the rules issued under this title through any entity designated by the Commission for that purpose; and

"(B) to pay all reasonable costs associated with—

"(i) such filing; and

"(ii) the maintenance of a process to receive and respond to inquiries under paragraph (2).

"(2) RESPONSE TO INQUIRIES.—

"(A) IN GENERAL.—An entity designated by the Commission under paragraph (1) shall—

"(i) establish and maintain a readily accessible telephonic or other electronic process to receive inquiries regarding disciplinary actions and proceedings involving investment advisers and persons associated with investment advisers; and

"(ii) respond promptly to such inquiries.

"(B) FEES.—An entity designated by the Commission under paragraph (1) may charge a person, other than an individual investor, reasonable fees for the cost of providing written responses to inquiries.

"(C) LIABILITY.—An entity designated by the Commission under paragraph (1) shall not be liable for any action taken or omitted in good faith under this paragraph."

SEC. 6. COMPLETION OF RULEMAKING INITIATIVES REQUIRED.

Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-4), as amended by section 5, is amended by adding at the end the following new subsections:

"(d) REGISTRATION FORM REVISIONS.—

"(1) STATEMENTS IN ANNUAL REPORTS.—The Commission shall include in each of the first 3 annual reports submitted pursuant to section 23(b) of the Securities Exchange Act of 1934 after the date of enactment of this subsection a statement describing the status of—

"(A) the Commission's proposals for the revision of the form required for the registration of investment advisers under this title;

"(B) consultations with State securities commissions and other State authorities concerning the collection and dissemination of information contained on such form; and

"(C) the implementation of systems to collect and disseminate such information to enforce compliance with this title.

"(2) ANALYSIS REQUIRED.—The first statement required by paragraph (1) shall include an analysis of the methods by which the revisions of such registration form will result in—

"(A) the timely and effective disclosure to investment adviser clients of material facts concerning the background, compensation, services, and practices of the adviser; and

"(B) the prominent disclosure to such clients of—

"(i) any conflicts of interest;

"(ii) methods available for securing additional information concerning the adviser and its employees;

"(iii) remedies available with respect to disputes arising out of the advisory relationship; and

"(iv) any conviction of the investment adviser or any person associated with the in-

vestment adviser within 10 years preceding the filing of any application for registration, or at any time thereafter, of any crime that is punishable by imprisonment for 1 or more years, or of a substantially equivalent crime by a foreign court of competent jurisdiction."

SEC. 7. BOND REQUIREMENT.

Section 208 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-8) is amended by adding at the end the following new subsection:

"(e)(1) The Commission may require, by rules and regulations for the protection of investors, any investment adviser registered under section 203 that—

"(A) is authorized to exercise investment discretion, as defined in section 3(a)(35) of the Securities Exchange Act of 1934, with respect to an account;

"(B) has access to the securities or funds of a client; or

"(C) is an investment adviser of an investment company, as defined in section 2(a)(20) of the Investment Company Act of 1940,

to obtain a bond from a reputable fidelity insurance company against larceny and embezzlement in such reasonable amounts and covering such officers, partners, directors, and employees of the investment adviser as the Commission may prescribe.

"(2) In implementing paragraph (1), the Commission shall consider—

"(A) the degree of risk to client assets that is involved;

"(B) the cost and availability of fidelity bonds;

"(C) existing fidelity bonding requirements;

"(D) any alternative means to protect client assets; and

"(E) the results, findings, and conclusions of the study required by paragraph (3).

"(3) Before implementing paragraph (1), the Commission shall study (and shall make such study and its conclusions and findings available to the public)—

"(A) the availability of fidelity bonds, both for large-scale and small-scale investment advisers, and also for investment advisers not located in urban areas; and

"(B) the impact of the provisions of paragraph (1) on the competitive position of small-scale investment advisers.

"(4) If the Commission adopts any rule or regulation pursuant to paragraph (1), the Commission may, by rule, exempt any person or class of persons from the requirements of this subsection and the rules issued under this subsection, under such terms or conditions and for such period as the Commission shall prescribe. The Commission shall exempt any investment adviser from the requirements of this subsection if—

"(A) fidelity bonds are not readily or reasonably available in the urban or rural areas in which such investment adviser is located; or

"(B) the cost of obtaining a fidelity bond would have a substantial adverse impact on such investment adviser's competitive position."

When said bill, as amended, was considered, read twice, ordered to be read a third time, was read a third time by title, and passed.

A motion to reconsider the vote whereby the bill, as amended, was passed was, by unanimous consent, laid on the table.

Ordered, That the Clerk request the concurrence of the Senate in said amendment.

¶120.55 MOTION TO ADJOURN

Mrs. BENTLEY moved that the House do now adjourn.

The question being put, viva voce, Will the House now adjourn?

The SPEAKER pro tempore, Mr. VISCLOSKEY, announced that the nays had it.

Mrs. BENTLEY demanded that the vote be taken by the yeas and nays, which demand was not supported by one-fifth of the Members present, so the yeas and nays were refused.

¶120.56 PROVIDING FOR THE CONSIDERATION OF H.R. 5110

Mr. DERRICK, by direction of the Committee on Rules, called up the following resolution (H. Res. 564):

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 5110) to approve and implement the trade agreements concluded in the Uruguay Round of multilateral trade negotiations. The first reading of the bill shall be dispensed with. All points of order against the bill and against its consideration are waived. General debate shall proceed without intervening motion, shall be confined to the bill, and shall not exceed four hours equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. Pursuant to section 151(d) of the Trade Act of 1974, after general debate the Committee shall rise and report the bill to the House. Pursuant to section 151(f)(2) of the Trade Act of 1974, the previous question shall be considered as ordered on the bill to final passage without intervening motion.

When said resolution was considered.

After debate,

On motion of Mr. DERRICK, the previous question was ordered on the resolution to its adoption or rejection.

The question being put, viva voce,

Will the House agree to said resolution?

The SPEAKER announced that the yeas had it.

Mr. DREIER objected to the vote on the ground that a quorum was not present and not voting.

A quorum not being present,

The roll was called under clause 4, rule XV, and the call was taken by electronic device.

When there appeared

Yeas	298
Nays	123

¶120.57 [Roll No. 492] YEAS—298

Abercrombie	Blackwell	Coleman
Ackerman	Bliley	Collins (IL)
Andrews (TX)	Boehner	Collins (MI)
Archer	Bonior	Combest
Armey	Borski	Cooper
Bacchus (FL)	Boucher	Coppersmith
Bachus (AL)	Brewster	Cox
Baesler	Brooks	Coyne
Baker (CA)	Brown (CA)	Crane
Baker (LA)	Brown (FL)	Darden
Ballenger	Bryant	de la Garza
Barca	Bunning	DeLauro
Barlow	Byrne	DeLay
Barrett (NE)	Calvert	Dellums
Barrett (WI)	Camp	Derrick
Barton	Cantwell	Deutsch
Bateman	Cardin	Dicks
Becerra	Castle	Dingell
Beilenson	Chapman	Dixon
Bereuter	Clay	Dooley
Berman	Clayton	Dreier
Bevill	Clinger	Dunn
Bishop	Clyburn	Durbin